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Progress report – Jeruk-3 appraisal well

SUPPL

The Jeruk-3 appraisal well is being drilled in the Sampang PSC, offshore Indonesia, approximately 1.8 km west of Jeruk-1 and 40 km south east of Surabaya.

Current operations include flow testing the well over the open hole interval 4939 m MD to 4978 m MD (4663 m TVDSS to 4696 m TVDSS).

After cleaning up, the well flowed oil at a choked-back rate of approximately 3,200 barrels per day with a gas to oil ratio of 230 scf/bbl through a 6.5 mm (16/64") choke. The flow rate was constrained by surface facility limitations.

Prior to testing, a nine metre core sample was retrieved from the lower section of the test interval.

The forward program is to complete the current testing operations and then drill ahead to continue the evaluation of the reservoir interval.

The participants in the Sampang PSC and the Jeruk field are:

	Sampang PSC	Jeruk
Santos (Sampang) Pty Ltd (operator)	40.5%	40.5%
Singapore Petroleum Sampang Ltd	36.0%	19.64%
Cue Sampang Pty Ltd	13.5%	7.36%
PT Petrogas Oyong Jatim*	10.0%	10.0%
Medco Strait Services Pte Ltd	0.0%	22.5%

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* subject to finalisation of documentation

Ends

Santos stock symbols: STO (Australian Stock Exchange), STOSY (NASDAQ ADR), Ref #82-34 (Securities Exchange Commission)

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